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SUBJECT: PATHS TO LEADERSHIP IN THE PROVINCES OF CENTRAL AND SOUTHERN
VIETNAM

REF: 06 HCMC 87

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11. (SBU) SUMMARY: Over the past eighteen months ConGen Officers have travelled to each of the provinces south of Thua Thien Hue, engaging local leaders on issues of U.S. interest ranging from trade and investment to human rights and education. At the same time, we have been observing a strong correlation between the type of leader in each province -- traditional loyalist, economic rising star, or Hanoi fixer -- and the degree of provincial openness. For example, each of the five provinces with leaders boasting strong economic credentials also ranks in the top quarter of the Vietnam Provincial Competitiveness Index and tend to be open to both the U.S. Consulate and foreign investors. On the other hand, provinces led by a "Hanoi fixer" tend to have serious issues with poverty (Ninh Thuan), social unrest (Dak Lak) or corruption (Ca Mau) and are often difficult places for the Consulate or private businesses to engage. Hanoi-imposed interlopers are the exception rather than the rule in provincial leadership and Southerners hold all but one of the top jobs (provincial Party secretary) in the 33 southern provinces. The few "outsiders" in top slots are sometimes economic rising stars polishing credentials for higher office, like Tran Van Vinh, who is now Dong Nai Provincial People's Committee Vice-chairman but previously was the number two at Vietnam Airlines. Other interlopers are Central Committee fixers, like Provincial Party Secretary Tran Quoc Huy, sent to Dak Nong Province to oversee a specific project, in this case bauxite. Our review of the southern provinces shows that when an outsider is brought in, it's a sure sign that something interesting is on. END SUMMARY.

All Politics Is Local in Central and Southern Provinces

12. (SBU) The two most critical positions in any province are the provincial Party secretary and the People's Committee (PC) chairman. Officially, the Secretary leads the Party and the chairman manages the government, but the Party Secretary indisputably runs the province. In general, PC Chairs have exactly as much authority and autonomy as the Party Secretary chooses to give him/her. To understand the underlying power structure, look at the makeup of the top leadership of each province's Party Committee. At best, the People's Committee Chairman at best serves concurrently as provincial deputy party secretary. In many cases, such as in HCMC, the People's Committee Chair ranks below two or three others in the provincial Party hierarchy. Nevertheless, in running the day-to-day operations of the provincial government, the People's Committee chairs and vice-chairs still have a tremendous influence on the province.

13. (SBU) While every province in central and southern Vietnam has unique geo-political and economic conditions, most do have

one thing in common: all but one of thirty-three provinces from Thua Thien Hue south are led by Party stalwarts born in the province or transplanted from elsewhere in the south of Vietnam. Natives dominate the highest levels of provincial politics; twenty-one Party secretaries and twenty-two PC chairmen were born in the province where they now hold positions of influence.

Path to Provincial Leadership: Loyalists Still Dominate

¶4. (SBU) In general, provincial leaders still rise to the top through the hierarchy in the Party. A handful of provincial leaders still claim war-era credentials, but more than half of the Party secretaries and People's Committee chairmen in central and southern provinces come from "powerhouse" Party organs, including: (a) the Organizational Affairs and Personnel Department, which decides on appointments, promotions and human resources matters, (b) the Internal Politics/Party Control Department, which ensures members' loyalty to the Party, and (c) the Inspection Department, which inspects Party members' moral conduct and investigates corruption claims. Even among the twelve Party secretaries and People's Committee chairpersons in the relatively reform-oriented Southern Key Economic Zone provinces, five top leaders were promoted from the Party powerhouses.

¶5. (SBU) This localized nature of politics has produced some interesting results. Three of six Party secretaries in the Central Highlands are indigenous ethnic minorities, perhaps balanced by the fact that five of six People's Committee chairs in the Central Highlands are non-locals southerners. Border and Central Highland provinces generally have at least one leader with military or security experience. The Mekong Delta has many provincial leaders with war credentials but little international experience.

¶6. (SBU) In Post's experience, Party stalwarts are the most

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disciplined -- and uninteresting -- interlocutors. Tay Ninh Party Secretary Mdm. Le Thi Ban, born in Cu Chi District on the border of Tay Ninh and HCMC, rose through the ranks in Tay Ninh, making stops in the Party's Organization and Inspections departments. Ban simply read a brief prepared statement during one meeting with the Consul General. To respond to additional questions, she simply repeated some portion of that statement. Equally inscrutable, Tien Giang Secretary Mdm. Tran Thi Kim Cuc rose through that provincial Party's Organization and Personnel departments. Given the background of Mrs. Cuc, a hardliner who grew up in one of the most hardline anti-American districts of the south, it's perhaps not surprising that our Consulate's Fraud Prevention Unit (FPU) finds conducting field work in Tien Giang to be particularly challenging.

Path to Leadership: Business Rising Stars

¶7. (SBU) Not all provincial leaders fit the party stalwart mold. A small but growing number of provincial leaders, especially People's Committee vice-chairpersons, have broader experience in Vietnam's economy. Leaders who have demonstrated economic or business acumen while managing a State-owned enterprise or directing a business-oriented government office (e.g., the Department of Planning and Investment or Department Industry and Trade) are starting to become a force in some reform-minded provinces. Numbers are still modest: in the thirty-three provinces, only six Party secretaries and chair people were former heads of planning and investment departments and three had previously run state-own enterprises. They tend to be clustered in the south-central coastal provinces, as is the case for Binh Dinh Party Secretary Vu Hang Hoa (previously Chairman of the Binh Dinh Import Export Corporation) and Phu Yen Party Secretary Dao Thanh Loc (who headed the provincial Department of Planning and Investment).

¶8. (SBU) Contacts familiar with the Party's personnel system tell us that the Party also actively tries to develop

well-connected or well-educated young talent by sending them to spend time in the ranks of provincial leaders. This establishes their government and political credentials and prepares them for more senior central-level assignments. Eight "Hanoi-installed" vice chairmen in our consular district fit this bill, among them Binh Duong Vice Chairman Pham Hoang Ha. Ha was transferred there from the HCMC Trade Department where he was director, and happens to be the son of former Prime Minister (and police general) Pham Hung. Dong Nai People's Committee Vice-Chairperson Tran Van Vinh was "elected" in September 2008. Born in March 1961 in Hai Phong City, Vinh was Deputy General Director of Vietnam Airlines from September 2004 and was behind most of the airlines' international business dealings. Vinh speaks fluent English, French and Russian.

¶9. (SBU) The idea that Party loyalty trumps qualifications is beginning to be challenged because a number of prominent southerners have made it to the provincial leadership thanks to their education or business experience. Take, for example, the case of An Giang province Vice Chairman Le Minh Tung. Although he was born in Saigon in 1952, Mr. Tung has spent over thirty-five years in An Giang. A Fulbright scholar, he earned his Master's in Public Administration at Harvard University in 1996. He worked as Science and Technology Department Director and as vice rector and now rector for An Giang University. Tung is one of only two provincial leaders in the whole Mekong Delta who speaks fluent English. The other is 45-year-old Can Tho Vice Chairman Tran Tuan Anh, the former Vietnamese Consul General in San Francisco. A career diplomat, Tuan Anh has a PhD in International Economics and headed the Economics General Department and Director of the Diplomatic Fund for Economics Support, Ministry of Foreign Affairs. Perhaps even more telling, Tuan Anh's father is Vietnam's former President Tran Duc Luong.

¶9. (SBU) It is very difficult to say whether well-educated and business-minded leaders tend to focus on creating an environment attractive to investment or reform-minded provinces work to bring in leaders with business experience. Either way, it seems that provinces where the leadership has economic experience do well even if they are in isolated, rural regions: An Giang ranks 9th on the 2008 Vietnam Provincial Competitiveness Index, Binh Dinh ranks 11th (and has welcomed Consulate visitors) and Dong Nai (a more urban province) ranks 15th. More generally, each of the five provinces with business and economic rising stars also ranks in the top quarter of the Vietnam Provincial Competitiveness Index.

Paths to Provincial Leadership: Politburo Fixers

¶10. (SBU) Similar to the "rising stars" is a third category of

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provincial leaders sent by the Party to oversee a sensitive project or to correct a particular problem. These tend to be well-connected, experienced and trusted political insiders. Security issues, unacceptable levels of corruption or even persistent abject poverty seem to drive decisions to install this type of targeted leadership.

¶11. (SBU) For example, the Central Highlands province of Dak Nong is now led by Party Secretary Tran Quoc Huy, the former Deputy Head of the Central Party Organizational Committee. Huy replaced a local Party secretary in April 2009, just as the Nhan Co bauxite excavation project, located in the province, became a nationwide controversy.

¶12. (SBU) In September 2008, Mr. Nguyen Tuan Khanh replaced Party Secretary Nguyen Thanh Binh, who was officially fired for violating recruitment regulations and inappropriately waiving criminal prosecution for the director of the Cinamex company. As a current Central party Committee member and previously Deputy Head of the Party Central Organization Committee, deputy head of the Central Internal Affairs Committee and Secretary of the Gia Lai Party Committee, insiders say Khanh has the political firepower to restore stability to Ca Mau province and

then return successfully to Hanoi for bigger and better assignments. Khanh is originally from the Mekong Delta, born in An Giang province in 1954.

¶13. (SBU) Former Vice-Minister of Planning and Investment Nguyen Chi Dung was named Chairman and Deputy Party Secretary in the poverty-stricken Central Coast province of Ninh Thuan in April 2009. Born in 1960 in the Northern province of Ha Tinh, Dung was in charge of foreign direct investment, industrial parks and export processing zones. He holds a PhD in Economics and speaks English.

Security and the Military Leaders Play a Special Role

¶14. (SBU) While more than 90 percent of current central and southern provincial Party secretaries and Chairmen were born in the early fifties, only a handful of them were fighters during the Vietnam war. Of the eight leaders who have either wartime experience or military background, half are in the Central Highlands or border provinces, where ethnic minority issues and national defense remain priority concerns. In Dak Lak, where ethnic riots erupted in 2001 and 2004, the People's Committee Chairman is police Major General Lu Ngoc Cu (born in southern province of Quang Nam). In Tay Ninh province, host to the busiest Vietnam-Cambodia border crossing, the provincial chairman graduated from the Police University and worked his way up from the Party Organizational Affairs Department. Three other Party secretaries and People's Committee chairpersons with military and police background are stationed in Ben Tre, Dong Thap and Soc Trang. Soc Trang is one of the most problematic provinces in the Mekong Delta for ethnic minority issues due to its large population of Khmer.

Comments

¶15. (SBU) Many students of Vietnam's history will not be surprised that the Communist Party remains the bastion of real power across the south. They may be surprised, however, to find that the provinces of southern Vietnam firmly are in the hands of Southerners rather than "Northern transplants." Homegrown representation certainly professes more concern for local issues, though cynics say it contributes to a culture of cronyism in the south. The rise of some local stars is promising, too. With luck, their talents may enable them to follow the path of current President Nguyen Minh Triet (who turned Binh Duong province into an economic powerhouse) or Deputy Prime Minister Nguyen Thien Nhan (the highly-educated politician who rose from city-level department head to deputy prime minister). There certainly appears to be a correlation between ranking highly on the Vietnam Competitive Index and the future career paths of provincial leaders. Yet make no mistake: loyalty/obedience to the Party, deference to elders and the ability to master internal power dynamics are still deciding factors in shaping careers and the majority of provincial leaders still advance through the local Party system by waiting their turn and avoiding mistakes. While the number of "local talents" and "Hanoi-installations" remains a modest eight among some 150 top provincial Party and government positions, there are hopeful signs that Vietnam's top leadership is working to modernize the provincial party ranks by favoring loyalty and talent as opposed to only loyalty. This movement toward rewarding talent can be seen since the 10th Party Congress in 2006 (reftel) and may be the defining difference between the current GVN's personnel selection from the pre-doi moi era. End Comment.

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¶16. (U) This cable was coordinated with Embassy Hanoi.
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